

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

CODE OF ETHICS

I. PURPOSE

To state the Code of Ethics policy for the New Jersey Economic Development Authority (hereinafter referred to as the “Authority”).

This Code is intended to complement the New Jersey Conflicts of Interest Law (*N.J.S.A. 52:13D-12, et seq.*) (“Conflicts Law”) and to establish the general standards of conduct necessary for the proper and efficient operation of the Authority. It is also intended to supersede all previous Codes of Ethics. This Code of Ethics shall apply to all employees and members of the Authority.

II. DEFINITIONS

Code - shall mean this Code of Ethics.

Ethics Liaison Officer - shall mean the Authority’s Chief Operating Officer or designee.

Employee - shall mean any person employed by the Authority.

Member - shall mean any of the five (5) ex-officio representatives, eight (8) representatives appointed by the Governor, three (3) alternate appointed representatives, and any other individuals officially designated to lawfully vote on Authority matters, as established by *N.J.S.A. 34:1B-4*, as it may be amended.

Relative – means an individual’s spouse or the individual’s or spouse’s parents, child, brother, sister, aunt, uncle, niece, nephew, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, step sister, half brother or half sister, whether the relative is related to the individual or the individual’s spouse by blood, marriage or adoption.

III. BASIC PREMISE

The New Jersey Economic Development Authority, as an agency of the State government, exists to serve the public interest. Basic to this Code of Ethics is the recognition that under our democratic form of government public officials and employees should be drawn from all of our society, that citizens that serve in government cannot and should not be expected to be without any personal interest in the decisions and policies of government; that citizens who are government officials and employees have a right to private interests of a personal, financial and economic nature; that standards of conduct should separate those conflicts of interest which are unavoidable in a free society from those conflicts of interest that are substantial and material, or which bring government into disrepute. All employees and members must therefore conduct themselves in the course of their duties so as to hold the respect, trust and confidence of the public. They must avoid any activity or association which is, or appears to be, a violation of the public interest. All employees and members are subject to the provisions of the Conflicts Law

and applicable implementing regulations promulgated by the New Jersey Executive Commission on Ethical Standards (“Commission”), N.J.A.C. 19:61-1.1 et seq.

IV. **GENERAL RULES OF CONDUCT**

A. No employee or member should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

B. No employee or member should engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State government without promptly filing notice of such activity with the Ethics Liaison Officer, who shall then file same with the Executive Commission on Ethical Standards.

C. No employee or member should use or attempt to use his or her official position to secure unwarranted privileges or advantages for himself, herself or others.

D. No employee or member should act in his or her official capacity in any manner wherein he or she has a direct or indirect personal financial interest that might reasonably be expected to impair his or her objectivity or independence of judgment.

E. No employee or member should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his or her objectivity and independence of judgment in the exercise of his or her official duties.

F. No employee or member should accept any gift, favor, service or other thing of value under circumstances from which it might be reasonably inferred that such gift, service or other thing of value was given or offered for the purpose of influencing him or her in the discharge of his or her official duties.

G. No employee or member should knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he or she may be engaged in conduct which violates his or her trust as an Authority employee or Authority member.

H. Confidential information (information not available to the general public) shall not be: willfully disclosed to unauthorized persons either during Authority service or after separation from the Authority; used by the employee or member to further his or her private interests; or used by the employee or member, directly or indirectly, for pecuniary gain or to make any investments or other financial transactions.

I. No member, officer, employee or agent of the Authority shall be interested, either directly or indirectly, within the meaning of *N.J.S.A. 34:1B-4*, in any project, contract, sale, purchase, lease or transfer of real or personal property to which the Authority is a party.

J. No employee or member shall use Authority resources, property, and funds for personal gain or benefit.

1. Authority property, including office supplies, cars, funds, and other resources may only be used for Authority business and not for personal or private use.
2. Likewise, Authority employees may not utilize Authority business time, whether their own or that of other employees, for personal or private purposes.

K. No employee or member shall make, directly or indirectly, or advise or otherwise assist any other person to make any financial investment based upon information available to him/her through his/her official position, unless such information is generally available to the public and provided that such investment or related advice and assistance is made or given in a manner consistent with the other provisions of this Code, the Conflicts Law and any other applicable provisions of the law.

L. Those employees holding the title of Assistant Director or higher are prohibited from having any personal contractual or business relationship with another employee or member of the Authority.

M. A relative of a member shall not be employed by the Authority.

V. **CASINO PROHIBITION**

No employee, nor any member of the immediate family of any employee, nor any business organization in which the employee is associated or has an interest, directly or indirectly, shall hold an interest in or employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or on behalf of any holding or intermediary company with respect thereto, unless in the judgment of the Executive Commission on Ethical Standards such employment will not interfere with the responsibilities of the employee and will not create a conflict of interest on the part of employee. For purposes of this section, an interest in a business organization shall not include aggregate familial ownership or control of one percent or less of an interest in the capital or equity of the business organization. This section shall also apply to those members constituting persons as defined in N.J.S.A. 52:13D-17.2.

VI. **CONTRACTS WITH STATE AGENCIES**

No employee or member, who qualifies as a State Officer under N.J.S.A. 52:13D-3, directly or indirectly, shall knowingly undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more with any State agency. The provisions of this section shall not apply (1) to purchases, contracts, agreements or sales which are made or let after public notice and competitive bidding, or which, pursuant to N.J.S.A. 52:34-10, may be made, negotiated or awarded without

public advertising for bids; or (2) to and contract of insurance entered into by the Director of the Division of Purchase and Property in the Department of Treasury pursuant to N.J.S.A. 52:27B-62, if such purchases, contracts or agreements, including change orders and amendments thereto, shall receive prior approval of the Executive Commission on Ethical Standards.

VII. DISCLOSURE AND AVOIDANCE OF CERTAIN CONFLICTS OF INTEREST:

A. In the event an employee or member should have or acquire a direct or indirect financial interest in, or business dealings with, any individual or entity (or subsidiary or affiliate thereof) which seeks to do, or does business with the Authority directly or indirectly, in any capacity, including, without limitation, as an applicant, consultant, contractor, attorney, architect, the member or employee shall, as soon as s/he knows of such interest, in addition to taking any other action required by law:

1. fully disclose any such ownership interest or business dealings in writing to the Chief Operating Officer; and
2. (a) fully divest himself / herself of the interest or discontinue the business dealings; or, (b) refrain from participating in all activities of the Authority relating to the individual or entity.

B. All employees shall annually complete and sign each year a “Conflicts of Interest Law, Disclosure of Outside Office or Employment Statement” in which he/she shall identify all non-Authority offices held, all professional or occupational licenses held, any outside employment and business interests. All outside activities reported on these statements must be reviewed and approved by the Ethics Liaison Officer to avoid potential conflicts of interest. Pursuant to N.J.A.C. 19:61-2.2, the Ethics Liaison Officer shall send copies of all forms that disclose outside employment to the Executive Commission on Ethical Standards for review.

Pending or potential outside office or employment needs to be requested and approved in advance of participation by the Ethics Liaison Officer and Chief Executive Officer.

The Chief Executive Officer may allow employees to hold outside offices or employment provided there is no conflict of interest with the employee’s official duties, and the employee does not use Authority offices, time or resources for the conduct of duties related to outside office or employment, whether compensated or uncompensated.

C. Members of the Authority and those employees holding the title of Assistant Director or higher, who are subject to an executive order or other law requiring financial disclosure (as currently required by E.O. 10) are required to file a Personal Financial Disclosure with the Executive Commission on Ethical Standards.

VIII **RECUSAL**

A. An employee or member shall recuse himself/herself from a matter if he/she has:

3. Any financial interest, direct or indirect, that is incompatible with the discharge of his/her duties as an employee or member; or
4. Any personal interest, direct or indirect, that is incompatible with the discharge of his/her duties as an employee or member.

B. For purposes of (A) above, an incompatible financial or personal interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to a relative or cohabitant; a relationship with a person providing funds, goods or services without compensation; any matter pertaining to a business associate or business investment; and a leadership role in a professional or trade organization; which interest might reasonably be expected to impair the employee's or member's objectivity and independence of judgment in the exercise of his/her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his/her acts that he/she may be engaged in conduct violative of his/her trust as an employee or member.

C. An incompatible financial or personal interest may exist in other situations which are not clearly within the provisions of (A) and (B) above, depending on the totality of the circumstances. The employee or member shall contact the Ethics Liaison Officer or the Executive Commission on Ethical Standards for guidance in such cases.

D. An employee or member shall seek the advice of the Ethics Liaison Officer, the Authority's legal counsel, or the Executive Commission on Ethical Standards as to the propriety of participation in a matter if a person requests that the employee or member recuse himself/herself from that matter. Oral advice, followed up by writing, may be provided by the Ethics Liaison Officer, the Authority's legal counsel, or the Executive Commission on Ethical Standards to avoid delay. Oral advice should subsequently be memorialized by a writing.

E. If an employee or member finds, or is advised by the Ethics Liaison Officer, that an incompatible financial or personal interest exists on a matter, the employee or member must recuse himself/herself from that matter or seek advice from the Executive Commission on Ethical Standards. The recusal must be absolute, that is, the employee or member must have no involvement with the matter from which he/she has recused himself/herself.

F. All recusals, other than those provided for in (G) below, shall be memorialized in writing. The writing shall:

1. Specify the reason for and the date of the recusal;

2. Specify the duration of the recusal (which may be expressed in terms related to the pendency of the matter in the Authority);
3. Specify the effect of the recusal on the employee or member and the Authority (for example, that the employee or member is not to be contacted or involved or participate in any manner concerning the matter from which he/she has been recused);
4. Name the person who is to assume responsibility and authority for the matter from which the employee or member has been recused (if applicable); and
5. Be disseminated to all persons who might be affected by the employee's or member's recusal and to the Ethics Liaison Officer, who shall maintain the writing for as long as the employee or member serves in his/her position.

G. In the case of a Board meeting where a public record of a proceeding is maintained, formal written recusal is not required; however, the following procedures must be followed:

1. To the extent feasible, meeting materials involving a matter from which the member must recuse himself/herself should not be distributed to the member;
2. At the subject meeting, the member must place his/her recusal and the reason for such recusal on the record prior to any discussion of the matter; and
3. The member shall leave the room at a non-public portion of the meeting while the matter in question is under discussion.

IX. **ATTENDANCE AT EVENTS**

A. Upon proper approval and in accordance with the Authority's travel guidelines, the Authority will reimburse the reasonable expenses of employees on Authority business authorized by the Chief Executive Officer (or designee). The Authority will reimburse, or agree to allow the sponsor to reimburse, the reasonable expenses of members on Authority business in accordance with the regulations promulgated by the Executive Commission that address attendance at events at N.J.A.C. 19:61-6.4 and 6.5.

B. The employee or member shall not accept an honorarium or fee for a speech or presentation at an event sponsored by an interested person, supplier or trade group which is licensed, regulated, inspected, or otherwise doing business with the Authority, contemplating doing business, or seeking to influence official actions, which invitation is extended because of his/her official position with the Authority.

C. Any employee or member who receives an invitation as a result of his/her official position with the Authority to any business-related function (such as a conference, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fund-raiser, holiday

party or other social function, an appearance involving an honorarium, etc.) from or with a firm or person doing business with the Authority shall report the invitation to the Ethics Liaison Officer. A determination will be made after taking into account appropriate guidelines of the Executive Commission on Ethical Standards in consultation with the appropriate persons as to whether (1) representation of the Authority is appropriate; (2) acceptance of the invitation is in conflict with the Code; and/or (3) the Authority should underwrite the costs incurred for participation in the activity as an alternative to accepting the invitation as offered.

X. RECEIPT OF GIFTS AND FAVORS

It is the policy of the Authority that no employee or member shall accept any gift or other item of value for any service, advice, assistance or other matter related to his/her official duties from any firm, organization, association, or individual doing business with the Authority or those that could reasonably be expected to do business with the Authority.

Any employee or member who receives a gift, benefit, favor or other thing of value, either directly or indirectly and whether by himself or herself, or through a spouse or family member, from a person or entity with whom the employee has had contact in his or her official capacity shall report, immediately, receipt of the item to the Ethics Liaison Officer. Upon review of the notification, the Ethics Liaison Officer shall determine whether the item may be accepted or retained, or whether such receipt would create an impression of a conflict of interest, appearance of impropriety or violation of the public trust. Only those items which have minimal value and which do not create the impression that the employee or member endorses a particular product or service will be deemed suitable for acceptance or retention.

An employee or member shall report all offers and receipt of all gifts or other thing of value for any service, advice, assistance or other matter related to his/her official duties to the Ethics Liaison Officer, who in consultation with the EDA's Chief Executive Officer, will review the circumstances of the offer or gifts and determine the proper course of action to return or redirect the gift in accordance with Guidelines of the Commission.

XI. RETIREMENT GIFTS

A. Gifts may be funded by a maximum contribution of \$5 per person, collected from invitees to the retirement function. If this method of funding is used, no maximum value is set for the cost of the gifts, but contributions of more than \$5 per invitee are not permitted; or

B. The maximum value of retirement gifts cannot exceed \$1,000. If this method is used, there is no maximum set on individual contributions, but the total value of retirement gifts and/or monetary tokens to the retiree, spouse and dependent(s) cannot exceed \$1,000. If, instead of presenting gifts and/or monetary tokens to the retiree, spouse and dependent(s), a decision is made to make a monetary contribution to a qualified organization (under I.R.S. Code 501(3)), no limit is placed on the maximum value of the

contribution.

XII. POST-EMPLOYMENT GUIDELINES

No employee or member, subsequent to the termination of his or her employment or office at the Authority, shall represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, or agree to represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, whether by him/herself or through any partnership, firm or corporation in which he or she has an interest or through any partner, officer or employee thereof, any person or party other than the Authority in connection with any cause, proceeding, application or other matter with respect to which such employee or member shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his or her employment or office. Detailed post-employment guidelines are available from the Ethics Liaison Officer or Human Resources. Any employee or member who willfully violates the provisions of this section is a disorderly person, and shall be subject to a fine not to exceed \$500.00 or imprisonment not to exceed 6 months, or both.

Any former employee affected by the above restriction can seek guidance from the New Jersey Executive Commission on Ethical Standards.

XIII. VIOLATIONS AND ENFORCEMENT

An employee or member who violates this Code may be subject to sanctions in accordance with the Conflicts Law, N.J.S.A. 52:13D-12 et seq. These sanctions may include fines, removal or suspension from office and ineligibility for future State employment. Employees who violate this Code may be subject to disciplinary action by the Authority, including but not limited to reprimand, suspension, demotion or termination.

All employees and members are advised to strictly adhere to this Code and to seek advice from the Ethics Liaison Officer or the Executive Commission on Ethical Standards if they have any questions concerning their obligations under this Code.

The Executive Commission on Ethical Standards periodically issues and updates its guidelines. Copies of the Conflicts Law and Commission guidelines are available on the Commission's website at www.nj.gov/lps/ethics.